

1 of 1 DOCUMENT

San Jose Mercury News (California)

June 25, 2008 Wednesday

Stanford doctor's stock raises ethics concerns

BYLINE: By Lisa M. Krieger Mercury News

SECTION: COMMUNITIES; Peninsula; Education; Science; News; Local

LENGTH: 691 words

A Stanford Medical School psychiatrist has vastly underreported his investment in a drug company whose fortunes could be affected by the university's studies, contends Sen. Charles Grassley of Iowa, the ranking Republican on the Senate Finance Committee.

In a letter published in Tuesday's Congressional Record, Grassley contends that Dr. Alan Schatzberg, co-founder of Corcept Therapeutics in Menlo Park, controls Corcept stock worth over \$6 million. Grassley pushed Stanford to reconsider its conflict-of-interest guidelines.

"I am concerned that Stanford may not have been able to adequately monitor the degree of Dr. Schatzberg's conflicts of interest with its current disclosure policies," Grassley wrote.

Followed Stanford policy

Grassley and other critics do not charge Schatzberg with violating university policy. Stanford requires that professors report investments of "more than \$100,000" - and Schatzberg disclosed that he did.

However, they say that such policies are inadequate because they don't fully reveal troubling conflicts of interest, possibly undermining scientific integrity and objectivity.

In the past two decades, drug makers have displaced the U.S. National Institutes of Health as the primary source of research financing - making industry support vital to university research programs. Companies recruit top scientists to help with their work.

Corcept is a publicly traded company that hopes to turn the drug mifepristone into an approved treatment for depression and other psychiatric ills.

Schatzberg was the principal investigator on a grant from NIH to conduct studies involving mifepristone for treating depression.

Beginning in 2000, Corcept sponsored a trial that recruited patients at six universities, including Stanford. Although Schatzberg helped design the Stanford studies, he left it to others to recruit patients, administer treatments and analyze results. Monitoring committees at NIH and Stanford reviewed the studies to ensure patient safety. However, Stanford also had a financial stake in the company.

Schatzberg is a scientific adviser to Corcept but has resigned from its board of directors.

Stanford says Schatzberg's involvement did not influence the research.

"We believe it important to emphasize that Dr. Schatzberg informed the university that he had a

Stanford doctor's stock raises ethics concerns San Jose Mercury News (California) June 25, 2008
Wednesday

significant equity interest in Corcept Therapeutics, as Stanford requires," according to Stanford.

"According to university policy, Stanford followed a series of measures to ensure that his research was not compromised by this financial stake," according to the statement.

The Stanford professor, incoming president of the American Psychiatric Association, did not respond Tuesday. But in previous interviews, he said that he did not play a direct role in studies of mifepristone in depression.

Stanford said he did everything required under the rules: He disclosed his corporate ties. . And he kept a distance from mifepristone research on campus even while administering federal grants that pick up the costs.

But Grassley says Schatzberg's disclosure to Stanford does not reveal the true value of his holdings. Grassley learned of the \$6 million stock holdings from independent research.

Professor defended

Arthur Caplan, chair of the Department of Medical Ethics at the University of Pennsylvania, agrees.

"The continuing number of problematic cases regarding investigator disclosures makes it clear that universities, academic health centers and professional societies must set clear conflict-of-interest standards for all to follow - or Congress is likely to do so," he said.

Dr. Bernard Carroll, former head of psychiatry at Duke University, said that Schatzberg and Stanford complied with the letter of the law - but not its spirit.

"He disclosed ownership of more than \$100,000 of stock. But, whoa - that is a real lowball. It is actually \$6 million," he said.

"You can give a laundry list of what you're connected with - but buried in that, and unrecognized by the average reader, is really salient information about how close your association is with a company," Carroll said.

Contact Lisa M. Krieger at lkrieger@mercurynews.com or call (408) 920-5565.

LOAD-DATE: June 25, 2008

LANGUAGE: ENGLISH

PUBLICATION-TYPE: Newspaper

Copyright 2008 San Jose Mercury News
All Rights Reserved